# NORWICH UNIVERSITY OF THE ARTS

**Minutes of Finance and Resources Committee**

**Held on 23 February 2024 in the Boardroom, Cavendish House, commencing at 14.00**

**Present**

Mr A Grimbly (Chair) Mrs A Ferguson

Mr M Jeffries Prof. S Ofield-Kerr

## In attendance

Mr S Belderbos, Director of Finance and Planning

Mr J Smeeth, Chief Operating Officer

Ms A Beckett, Pro-Vice Chancellor (Student Experience), Academic Registrar and Clerk Ms A Mulcairn, Deputy Clerk

## Apologies

Mr I Watson

# MINUTES OF THE LAST MEETING

The minutes of the meeting held on 30 October 2024 were approved.

# MATTERS ARISING FROM THE MINUTES

All outstanding actions were marked as completed.

# FIANCIAL MANAGEMENT

## Financial Strategy Annual Report

The Director of Finance and Planning presented the Financial Strategy Annual Report for the 2022/23 financial year.

The majority of targets had been achieved. Targets marked as not achieved or partially achieved related to the return on investment fund for 2022/23 (which was below the target of CPI + 4%), one aspect of how value-for-money is assessed on larger purchases, and the need to ensure greater consideration is given to environmental sustainability in procurement.

The Committee confirmed that it was satisfied with progress and that the remaining targets would be completed in the 2023/24 year.

The Committee congratulated the Finance Team on the successful achievement of the targets and noted the report.

## Financial Report

The Director of Finance and Planning introduced the Financial Report, February 2024.

The Committee noted that the financial forecasts predicted a deficit for two years based on current assumptions. Undergraduate student number forecasts for 2024/25 predicted zero growth in home students (850) and 15% growth for international (85). Forecasts from 2025/26 predicted a rise from 2025/26. The Committee noted that whilst there was a forecast deficit, increased investment in recruitment should start showing positive impact in the 2026/27 financial year.

The Committee received a report outlining the financial levers available to control expenditure and safeguard financial sustainability. The Committee agreed that a

breakdown of non-staff costs and expenditure on capital project would give additional context for how and when financial levers would be effective.

## Chief Operating Officer/Director for Finance and Planning

The Committee was satisfied that investment for the portfolio expansion was already included in the forecast expenditure.

Sources of additional income included accommodation rents (with the addition of Rochester Court) and grant funding from NEACO for outreach. Further grant money had been received from Research England and the Arts and Humanities Research Council.

The Committee agreed that management should prioritise areas for acceleration of growth, particularly international student recruitment and research grants. It was noted that growth in these two areas would raise the overall profile of the University and in turn attract additional students.

The Committee was satisfied that the investment in buildings and infrastructure and the portfolio expansion would push growth in a positive direction. It was agreed that the Committee would receive regular updates on these projects including expected income and investment returns.

## Chief Operating Officer

* 1. **Pension scheme update**

The Director of Finance and Planning introduced the pension scheme update.

The Committee noted that pension costs have generally doubled in the last ten years, and as such has gone from 5% to 10% of overall spend. Pension costs were largely out of the control of the University, however, it was noted that discussions with Norfolk Pension Fund on a review of the covenant would be undertaken.

## Director for Finance and Planning

The Committee requested a paper giving further context and information on pension arrangements across the sector.

## Director for Finance and Planning

* 1. **Internal Audit on Budgetary Control and Cashflow**

The Director of Finance and Planning introduced the report.

The report had already been through Audit and Risk Committee and a significant assurance rating was given. There were three low level recommendations including the setting of a materiality trigger. The Committee noted that a materiality cap of 20% was reasonable and should include capital expenditure where forecasts change significantly. The five-year budget forecast should therefore include a 20% materiality trigger.

The Committee thanked the Finance Team for a successful audit.

# FINANCIAL REPORTING AND COMPLIANCE

## TRAC return

The Director of Finance and Planning introduced the report.

The Committee confirmed compliance with the TRAC Statement of Requirements to be submitted to the Office for Students (OfS).

The Committee thanked the team preparing the TRAC return recognising the effort required to complete the return.

## Calculating our cost per student using TRAC methodology

The Director of Finance and Planning presented the report.

The Committee noted that the cost per student was in line with the rest of the sector. The Committee noted the report.

# TREASURY MANAGEMENT AND INVESTMENT

## Treasury Management Annual Report

The Director of Finance and Planning presented the annual report.

Interest rates had gone up but treasury was well within limits of bank covenants. The Committee noted that the treasury management policy had been edited to clarify information in parts but no significant changes had been made.

The Committee noted the report and approved the updated policy.

# ESTATES

## 6.1 Estates Report

The Chief Operating Officer presented the report.

The report set out the plans for Bank Plain and Duke Street entrance. Both projects had designs ready to go and were in the process of being tendered. The Bank Plain project had been phased and repair work on the heating and boiler system would be completed, with the Phase 2 activation of spaces completed by January 2025.

Work was underway on Rochester Court and both Estates and the IT team had reported that everything was working well.

A lease was about to be signed for a permanent location for the Immersive Visualisation Lab and Virtual Production Studio, which had been funded through existing OfS grants.

Tenders were in process for the project to convert facilities to provide gender neutral toilets across the campus.

The Committee noted that a full Estates Strategy would be presented at the following meeting and would include details on property management.

**Chief Operating Officer**

# ANY OTHER BUSINESS

The Committee noted that this was Andy Grimbly’s last meeting as the Chair, and both Governors and Senior Management thanked him for his hard work and chairmanship.

There were no matters of any other business.

# DATE AND TIME OF THE NEXT MEETING

It was confirmed that the next meeting of the Committee would take place on Friday 14 June 2024 at 2.00pm.